



November 15, 2007

Eric Gillies, Project Manager
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

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VIA EMAIL and CERTIFIED MAIL, RETURN RECEIPT REQUESTED

RE: PRC 421 Recommissioning Project Draft Environmental Impact
Report; SCH Number: 2005061013; CSLC EIR Number: 732;
CSLC File Number: W30159.3; City Project Number: 07-131-DP

Dear Mr. Gillies:

The Draft Environmental Impact Report (DEIR) appears to be flawed in regards to assumptions about vested rights and entitlement matters. These are fundamental issues that require sorting out prior to further analysis and report writing. They may be of a critical nature that begets recirculation of a corrected DEIR.

The DEIR fails to recognize and reconcile the fundamental issue that the processing of SL 421 oil and gas streams at either the Ellwood Onshore Facility (EOF) or Las Flores Canyon (LFC) represents "new production" relative to those processing facilities. Since the EOF is designated and zoned for "recreation," General Plan Amendment and Rezone applications (both of which are legislative measures) are necessary for this project. Those actions may be subject to ballot box referendum pursuant to Section 35-150 of the City of Goleta Coastal Zoning Ordinance. The feasibility of the alternatives is of question and concern.

The identical conundrum would apply to other alternatives suggested in the DEIR regarding trucking or pipeline transport should the desired cessation of barge transport occur during the life of the SL 421 project. As the DEIR is currently written, it eludes that the temporary trucking contingency plan currently under the City's consideration is intended to provide for facilities at the EOF that would be capable of handling the trucking of crude oil from SL 421 upon the cessation of the EMT lease. That permit application is not intended to, nor will, provide the EOF with rights to truck SL 421 oil without approval of the aforementioned legislative matters and possible ballot box ratification.

The entire water re-injection component of the project description and the "re-injection at Platform Holly" alternative was not adequately evaluated. The inclusion of this evaluation is essential so that the project's risks and impacts may be appropriately assessed and classified. As stated in the DEIR, at least 20 of the 72 wells drilled into the Vaqueros Reservoir from offshore piers had

potential deficiencies in their abandonment procedures. Moreover, many onshore wells located in the City of Goleta Sperling Preserve and Santa Barbara Shores Park were not abandoned to today's standard of protection. The repressurization, and the consequential risk of a blowout of one or more of the on-or-offshore wells of the Ellwood Field poses unacceptable public safety and environmental hazards.

Due to the reactivation of oil production in the 421 lease area, the increase in demands upon the Santa Barbara County Fire Department (SBCFD), and the distance from the nearest fire station, it is clear that a new fire station must be constructed and staffed in order to support any further large development in the Ellwood area. This matter represents a Class I impact, not a Class II impact as identified in the DEIR.

While measure PS-1 provides for mitigation of this impact, it states that "Venoco and CSLC in consultation with City of Goleta staff and the Santa Barbara County Fire Department" will determine the amount of the development impact fee that will contribute to the need for a new fire station in Goleta. This must be changed to read that the *City of Goleta and SBCFD* will determine the amount of this fee as the new fire station is an issue completely within the jurisdiction of the City of Goleta and the SBCFD, and the fees paid by this project will be determined through a fair share fee analysis in conjunction with other City projects that will contribute to the acquisition of property for, and the construction of, the future City fire station.

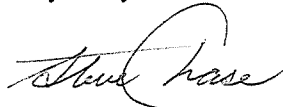
In addition to Mitigation Measure PS-1, the SBCFD has determined that another mitigation measure requiring fire water supply infrastructure upgrades will be required, in the form of water main line extensions and new fire hydrants connected to the Goleta Water District in and around the project site.

Many of the City's General Plan policies were cited, interpreted or used incorrectly within the document. Please contact Laura Vlk, Associate Planner, at (805) 961-7546 to clarify and correct this issue.

Lastly, a primary factor of the SL 421 project has not been addressed, and that glaring omission is of considerable concern to the City's interest. Every mineral extraction and processing project eventually comes to an end. The SL 421 project is no different. The DEIR suggests a 12-year life cycle. So what about the decommissioning and abandonment of the project? These activities are integral components of the project and cannot, under the law, be cast aside as next generation or separate and apart components. They must be indentified, assessed, resolved, classified and certified now as a part of this process.

If you have any questions or concerns, please contact me at (805) 961-7541.

Very Truly Yours,



Steve Chase
Director, Planning and Environmental Services Department

cc: County of Santa Barbara Planning and Development Department, Energy Division
Santa Barbara County Fire Department
Santa Barbara County Air Pollution Control District
California Coastal Commission
Venoco, Inc.

SC:lv